

# We All Need to Act Now to Save the Municipality of Hunter's Hill

The NSW Government has ignored advice it has received from various bodies including: the Independent Local Government Review Panel ('ILGRP'); the NSW Upper House Inquiry into Local Government; even the Independent Pricing & Regulatory Tribunal ('IPART'); our Local Councils; and most disturbingly, **the people of NSW**.

Instead at its final Cabinet meeting of 2015, in the shadows of Christmas, **the Government proposed mergers** (including many where there has been no earlier consultation) **that would see** the number of metropolitan councils cut from 42 to 25, including the Local Government Areas ('LGAs') of **Hunter's Hill and Lane Cove being merged into an expanded City of Ryde**.

## What do we stand to lose?

### Our Representation – 9% of the Vote (and Falling) in the Proposed New Council

At the last Council Elections in 2012, electors enrolled to vote in the Municipality of Hunter's Hill only amounted to 9.4% of the electors then enrolled to vote in the area it is proposed should become an expanded City of Ryde. Given the astonishing number of high density residential developments being built in the LGAs of Ryde and Lane Cove, our representation in the proposed merged entity has already reduced and can only further diminish. At best, we will have token representation – we will lose our voice in our very effective local democracy.

### Our Identity & Integrity – Our Council is Closely Scrutinised by Individuals & Communities

We do not identify with Ryde. Our communities are very different. The culture of Ryde Council is very different to that of Hunter's Hill.<sup>1</sup>

### Heritage and Appropriate Development

The establishment of the Municipality of Hunter's Hill was Gazetted in January 1861 – there has been no boundary change since then. We continue to balance development with the protection of our heritage and the environment in which we live – this balance will be lost if development is controlled by an expanded Ryde Council.

### Higher Rates – The Government's Numbers Don't Add Up

The NSW Government has promised to keep council rates on "their current trajectory" for four years<sup>2</sup> – that is until after the next State Election. The analysis below suggests rates will rise significantly after this, as they have in other states after their council amalgamations.

Additionally the median land value in the LGA of Hunter's Hill remains substantially higher than in Lane Cove and Ryde, meaning our rate contribution to the merged entity per ratepayer will be higher than that from the other proposed merger partners.

Claims made in the Merger Proposal rely on a KPMG report – the full extent of this report and how much of it the Government has not released remain uncertain.<sup>3</sup> As far as can be made out the KPMG report is based on broad 'Financial Modelling Assumptions'<sup>4</sup> that underestimate merger costs, among other things, by not providing for full integration of information and communication technology across councils to be merged. Also redundancy costs to be borne by councils<sup>5</sup> appear to be underestimated.<sup>6</sup> At this stage, the actual cost of merging Hunter's Hill, Lane Cove and Ryde Councils is understood to be of the order of \$80 million.<sup>7</sup>

The KPMG report also appears to overestimate savings by assuming scale efficiencies on 80% of expenditure on materials and contracts.<sup>8</sup> Services like garbage collection are already procured by a group of five councils – merging

<sup>1</sup> See, eg <<http://www.icac.nsw.gov.au/investigations/current-investigations/investigationdetail/195>>.

<sup>2</sup> See, eg, Anne Davies, 'NSW council mergers: Rates to stay on "current trajectory", says government', *Sydney Morning Herald* (online), 19 December 2015 <<http://www.smh.com.au/nsw/nsw-council-mergers-rates-to-stay-on-current-trajectory-says-government-20151218-glr2vx.html>>.

<sup>3</sup> James Robertson, 'Mystery deepens over KPMG council merger report', *Sydney Morning Herald* (online), 5 February 2016. <<http://www.smh.com.au/nsw/mystery-deepens-over-kpmg-council-merger-report-20160204-gmlnr.html>>.

<sup>4</sup> See KPMG, 'Outline of Financial Modelling Assumptions for Local Government Merger Proposals', 19 January 2016 <<https://dpc-olg-ss.s3.amazonaws.com/60c974d0bf3f09af6b39b7c5994c9fa1/KPMG-Financial-evaluation-assumption.pdf>>.

<sup>5</sup> NSW Government, 'Local Government Reform Merger: impacts and analysis', December 2015, at 5 <<https://www.councilboundaryreview.nsw.gov.au/?gclid=CKjuw6uW5MoCFQuBvQodAQcA4Q>>.

<sup>6</sup> James Robertson, 'Council amalgamation report 'awash with errors'', *Sydney Morning Herald* (online), 25 January 2016. <<http://www.smh.com.au/nsw/council-amalgamation-report-awash-with-errors-20160124-gmcsri.html>>.

<sup>7</sup> Councillor Jerome Laxale, Mayor of Ryde (Speech delivered at the Public Inquiry into the Merger Proposal: Hunter's Hill, Lane Cove and City of Ryde Councils, Hunters Hill Sailing Club, 2 February 2016).

<sup>8</sup> KPMG, above note 4, at 2.

some councils within this group will not improve this economy of scale. It appears the purported '\$5 million in savings every year from 2020 onwards' will be more than exhausted by 'employing an additional 66 staff for frontline services.'<sup>9</sup>

Even if there were '*potential* to generate a net financial savings of around \$61 million to the new council over 20 years',<sup>10</sup> these savings will be swamped by the true upfront merger costs so **rates will undoubtedly increase as soon as the Government's four year commitment to keep council rates on "their current trajectory" expires.**

It should be noted that the Merger Proposal document projects council financial performance in terms of operating results, which the document itself explains 'excludes any grants received from the council's reported operating revenue.'<sup>11</sup> In recent times grant funding of councils has reduced and councils are becoming more reliant on rates and fee revenue so operating results will improve without mergers.

It was the exclusion of grant funding from operating results that allowed the Premier and the Minister for Local Government to make the highly misleading claim that 'Councils are losing 1 million a day.' Their analysis was wrong then – why would you believe them now? IPART found our Council satisfied all financial criteria – efficiency, sustainability, infrastructure and service management, and overall financial criteria.

## What We All Need to Do

### 1. Fill Our Town Hall for the Save Hunter's Hill Community Rally on Tuesday 23 February

A community rally for those who support the continuation of the Municipality of Hunter's Hill will be held at 7:30 pm on Tuesday 23 February 2016 at Hunter's Hill Town Hall, 22 Alexandra St, Hunters Hill, 2110. Bring family and friends to our Town Hall to demonstrate our resolve to maintain our meaningful voice in Local Government.

### 2. Make a Written Submission to the Council Boundary Review by Sunday 28 February

No poll will be conducted to objectively determine 'the attitude of the residents and ratepayers' to the Merger Proposal – this will be determined from our submissions, making them additionally a de facto poll. It is essential that everyone who is able to make a submission to the Delegate does so.

The Delegate is obliged to assess amalgamation proposals having regard to specific factors in Section 263(3) of the *Local Government Act*. Written submission should attempt to address these factors. Written submissions close at 5:00 pm on Sunday 28 February 2016 and can be submitted by mail to: Council Boundary Review, GPO Box 5341 Sydney NSW 2001, or online at <<https://www.councilboundaryreview.nsw.gov.au/>>

In addition to the Hunter's Hill Council and Council Boundary Review websites, a number of resources exist that will assist with the preparation of submissions. Visit: <<https://savehuntershill.wordpress.com/>> the website of Save Hunter's Hill Municipality Coalition; Save Our Councils Coalition at <<http://www.saveourcouncilsnsw.com/>>; Council Amalgamations NSW at <<http://www.councilamalgamationsnsw.org/>>; and the Upper House Parliamentary Report <[http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/B0C026787382E495CA257EEC007FFECA?open&refnavid=CO3\\_1](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/B0C026787382E495CA257EEC007FFECA?open&refnavid=CO3_1)>.

### 3. Write to Anthony Roberts Our Member of the Legislative Assembly for Lane Cove

Our local member, Mr Roberts has been notably inconspicuous during the time that the Government, in which he is senior Minister, has been working to reduce our voice by merging Our Council into a new far larger entity. Visit our local member's website at <<http://www.anthonyrobertsmp.com.au/>> to gauge his level of his interest in council amalgamations.

Mr Roberts should be representing the views of the communities who elected him to the NSW Parliament. We all need to contact Mr Roberts to ensure he understands our views about the importance of Hunter's Hill as an independent local government area. If you feel strongly enough about this issue, Mr Roberts may find hearing about your future voting intentions persuasive.

The Member for Lane Cove may be contacted at: The Hon Anthony Roberts, Level 3, Suite 302, 230 Victoria Road, Gladesville 2111 Email: [lanecove@parliament.nsw.gov.au](mailto:lanecove@parliament.nsw.gov.au)

### 4. Continue to Keep the Pressure on the Government until They Back Down

We are not going away. Communities across NSW are angry and determined to keep their local democracy. We will win this battle.

<sup>9</sup> NSW Government, 'Merger Proposal: Hunter's Hill Council, Lane Cove Council, City of Ryde Council', January 2016, at 8-9 <<https://www.councilboundaryreview.nsw.gov.au/proposals/hunters-hill-lane-cove-and-city-of-ryde-councils/>>.

<sup>10</sup> NSW Government, above note 9.

<sup>11</sup> NSW Government, above note 9 at 9.